

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION

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POSTAL RATE AND FEE CHANGES, 1997


DOCKET NO. R97-1

RESPONSE OF UNITED PARCEL SERVICE
TO PRESIDING OFFICER'S INFORMATION
REQUEST NO. 16

(March 16, 1998)

United Parcel Service ("UPS") hereby responds to Presiding Officer's Information Request No. 16 (March 9, 1998). UPS witness Sellick will be prepared to explain to the extent necessary the basis for the answers at his appearance for his rebuttal testimony, scheduled for Friday, March 20, 1998. Since Mr. Sellick is out of town, a signed declaration will be filed later.

Respectfully submitted,


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Of Counsel.

RESPONSE OF UPS WITNESS SELICK TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 16

1. In UPS LR-8 and LR-8 Replacement, the SAS program MOD1DIR creates the data file CONTEMP at line 1151 in the log and stores the file in the subdirectory c:\iocspoira\mod1dir. The log "NOTE" reports that the data file CONTEMP has 6,261 observations.

According to the logs in the library references, the file CONTEMP is not used again until the SAS program MOD3CONT uses it at line 1730 of the log to make changes in variable definitions and assign the name MIX to the resulting file. In this instance the file CONTEMP is accessed from the subdirectory c:\iocscases3\mod1dir. The NOTE following the operation reports that there are 6,478 observations in the file MIX.

Please confirm that the file CONTEMP as used at line 1730 in the program MOD3CONT should be the same file that is created at line 1151 in the program MOD1DIR and MIX should have 6,261 observations.

If confirmed, please run the programs MOD1DIR through MOD4DIST and submit the output, logs and revised programs.

If not confirmed, please explain why MIX has 6,478 observations and identify the SAS operations that created the file CONTEMP in the subdirectory c:\iocscases3\mod1dir.

RESPONSE: Confirmed. Attached to this response are the results of running the programs MOD1DIR through MOD4DIST. The other requested materials are being filed as Library Reference UPS-LR-9.

RESPONSE TO POIR # 16
MOD4DIST.LST RESULTS CHANGED TO CORRECT
FOR MISSTATED LIBNAME STATEMENT

Class	Original	Corrected	Change	Pct Change
1-1C LP	4,414,637	4,413,941	(696)	-0.02%
2-1C PR	946,642	946,394	(247)	-0.03%
3-PSTLC	2,561	2,562	1	0.03%
4-PVTC	126,883	126,648	(235)	-0.03%
5-PRSTC	31,718	31,704	(15)	-0.05%
6-PRIOR	585,003	584,875	(128)	-0.02%
7-EXPRS	106,693	106,661	(33)	-0.03%
8-MGRAM	88	88	0	0.04%
9-2C211	11,614	11,562	(52)	-0.45%
9-2C212	421,290	421,315	25	0.01%
9-2C213	74,028	74,035	7	0.01%
9-2C214	4,137	4,137	0	0.00%
10-3COZ	63,390	63,350	(41)	-0.06%
11-3CRGP	202,496	202,580	84	0.04%
12-3CRGC	1,269,035	1,268,891	(144)	-0.01%
13-3CNPP	22,935	22,940	5	0.02%
14-3CNPO	323,342	323,180	(162)	-0.05%
15-4CPCL	82,954	82,925	(29)	-0.04%
16-4CPRN	35,869	35,858	(12)	-0.03%
17-4CSPC	27,871	27,870	(1)	0.00%
18-4CLIB	7,817	7,818	1	0.01%
19-USPS	70,609	70,576	(33)	-0.05%
20-FREE	9,416	9,384	(32)	-0.34%
21-INTL	202,386	202,393	6	0.00%
22-REGIS	80,610	80,645	35	0.04%
23-CERT.	15,609	15,642	33	0.21%
24-INS.	278	279	1	0.19%
25-COD	1,224	1,225	2	0.13%
26-SP DL	749	751	2	0.21%
27-SP HD	127	127	0	0.37%
28-OTHSV	68,539	68,570	31	0.05%
5020	757	758	1	0.08%
5040	18,458	18,480	21	0.12%
5050	362	362	0	0.12%
5060	50	50	0	0.15%
5070	750	750	1	0.09%
5080	1,471	1,473	2	0.12%
5090	105	105	0	0.07%
5110	381	382	1	0.13%
5120	377	377	0	0.05%
5130	207	208	0	0.15%
5170	2,192	2,194	2	0.10%
5180	123	123	0	0.04%
6000	4,266	4,270	4	0.08%
6010	13,675	13,693	17	0.13%
6020	6,692	6,698	6	0.10%
6030	4,569	4,574	4	0.10%
6040	1,923	1,925	2	0.12%

RESPONSE TO POIR # 16
MOD4DIST.LST RESULTS CHANGED TO CORRECT
FOR MISSTATED LIBNAME STATEMENT

Class	Original	Corrected	Change	Pct Change
6045	875	876	1	0.14%
6050	231	231	0	0.07%
6070	1,137	1,138	1	0.11%
6073	646	647	1	0.10%
6080	464	464	0	0.11%
6110	537	538	1	0.14%
6120	1,003	1,004	1	0.06%
6130	368	368	0	0.11%
6140	49	49	0	0.15%
6170	34,822	34,857	34	0.10%
6180	668	667	1	0.12%
6200	2,132	2,134	2	0.10%
6210	107,797	107,922	124	0.12%
6220	3,488	3,502	4	0.12%
6230	58,847	58,889	42	0.07%
6240	17,506	17,527	22	0.12%
6320	9,049	9,068	19	0.21%
6330	9,103	9,112	9	0.10%
6420	13,073	13,095	22	0.17%
6430	40,473	40,527	54	0.13%
6460	2,090	2,093	3	0.15%
6480	8,614	8,632	18	0.21%
6495	2,996	3,000	4	0.15%
6500	2,039	2,036	3	0.17%
6511	986	987	1	0.08%
6512	520	520	1	0.10%
6514	80	81	0	0.44%
6516	2,160	2,165	5	0.23%
6519	14,635	14,686	31	0.21%
6521	12,220	12,236	15	0.12%
6523	383	384	0	0.10%
6610	19,396	19,427	31	0.16%
6620	19,751	19,775	24	0.12%
6630	339,561	339,963	403	0.12%
6640	3,128	3,130	3	0.08%
6650	17,701	17,717	16	0.09%
6660	4,970	4,977	7	0.16%
7521	165,549	165,795	246	0.15%
7523	39,742	39,956	213	0.54%
TOTAL	10,225,602	10,225,602	0	0.00%

RESPONSE OF UPS WITNESS SELICK TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 16

2. In response to POIR Number 11, the total Segment 3 costs reported is \$16,456,634 thousand (UPS witness Sellick, Workpaper 2-A, BSE100.XLL, CS 3 Sheet, page 3) which exceeds the Postal Service Segment 3 costs of \$16,456,099 thousand (USPS-T5A at 2) by \$535 thousand. Please explain why the total Segment 3 costs do not match and identify changes that need to be made to eliminate the difference.

RESPONSE: I have been unable to identify the specific reason for the .0003% difference between my calculations and those of the Postal Service. To correct for this difference, I would multiply the total Cost Segment 3 cost in each component by .9997 to adjust it so that the total would match the Postal Service's.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document
in accordance with section 12 of the Commission's Rules of Practice.

John E. McKeever
John E. McKeever 

Dated: March 16, 1998
Philadelphia, PA